



State of Minnesota Workforce Planning Report

FY 2016

State of Minnesota Workforce Planning Report FY 2016

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Minnesota Management and Budget's mission is to manage state government's financial, workforce, and information resources to support effective and efficient services for Minnesotans

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Executive Summary

Report Scope

This report summarizes characteristics of the Executive Branch of Minnesota's state government workforce for fiscal year 2016 (occurring between July 1, 2015 and June 30, 2016). For the purposes of workforce planning, the Executive Branch is defined to include all state agencies with the exception of the Minnesota State University system and retirement agencies. By definition, the Executive Branch also excludes the Judicial and Legislative Branches of state government.

Workforce at a Glance

- The Executive Branch represents approximately 89 percent of state government with 34,964 positions.
- Public servants perform the state's work across 79 agencies, boards and commissions. While the size of state government has hovered between 33,000 and 35,000 over the last 10 years, the make-up of state employment continues to change with the demography of the state and the priorities of government.
- The Executive Branch grew by 610 position or 1.8 percent since FY 2015. The Departments of Human Services, Transportation and Public Safety gained the most employment.
- The Department of Human Services is the biggest agency in the Executive Branch, representing 19 percent of all employees. The Departments of Transportation and Corrections account for 14 and 12 percent of the workforce respectively. Thirty-five percent of employees work in smaller agencies with less than 5 percent of total employment.
- The Executive Branch workforce is distributed across the entire state, with employees reporting to workplaces in 86 of 87 counties. Sixty-one percent of employees work in the Twin Cities seven-county metropolitan area, while 39 percent work in greater Minnesota counties. Eighteen percent of staff work in metropolitan areas other than the Twin Cities metro area such as Duluth and St. Cloud, while 21 percent work in non-metropolitan areas.
- About 89 percent of staff is represented by organized bargaining units. The American Federation of State, County and Municipal Employees (AFSCME) represents 40 percent of staff while the Minnesota Association of Professional Employees (MAPE) represents another 34 percent.
- About 86 percent of appointments are full-time, 11 percent part-time, and the remainder intermittent (on call).

Executive Branch Demographics- Protected Group Representation

- About 11 percent of employees indicate they are part of a racial or ethnic minority while 85 percent indicate they are white. Four percent of employees did not specify their race. State government is becoming more diverse- 10 percent of employees were racial/ethnic minorities in FY 2015. About 16 percent of new hires in 2016 were racial/ethnic minorities.
- The Executive Branch workforce is roughly 50 percent male and 50 percent female.
- Employees with disabilities represent approximately 6 percent of the workforce.
- Veterans represent about 8 percent of the workforce.

- The state employs a higher percentage of women, veterans and disabled individuals than exist in the overall Minnesota workforce.

Executive Branch Hiring, Retirements, and Age Demographics

- The state hired over 5,600 employees to full time, part time and intermittent positions in 2016.
- New hires were up 745 from FY 2015- an increase of 15 percent. Racial and Ethnic minorities made up 16 percent of new hires. Women made up 51 percent of new hires while individuals with disabilities and veterans made up 5 percent and 7 percent of new hires respectively.
- There were 1,066 retirements in 2016- an decrease of 16 percent from 2015. The average retirement age has been increasing in recent years and stands at 62 in FY 2016.
- The median age of state workers is 47 years. About 44 percent of the workforce is over 50 years of age.
- With increased retirements and hiring, the largest generation in state government is now Generation X (those born between 1965 and 1984) with 45 percent of total employment compared to 39 percent for the Baby Boom Generation (those born between 1946 and 1964). The Millennial generation (those born after 1984) is steadily increasing its share of employment and currently stands at 15 percent.

The Executive Branch at a Glance

This section contains information about key characteristics of the Executive Branch during FY 2017 and changes since FY 2016. These data are discussed in detail throughout the report.

Table 1: Select Executive Branch Characteristics, FY 2015 and FY 2016

State Employment Demographic	FY 2015	FY 2016	Change from FY 2015
Total appointments	34,354	34,964	1.8%
Median age	47	47	0
Average age	46	46	0
Female employees	50.1%	49.8%	-0.3%
Male Employees	49.9%	50.0%	0.1%
Racial/ethnic minorities	9.9%	11.0%	1.1%
% employees who are White	82.2%	85.3%	3.1%
% employees not reporting race/ethnicity	4.0%	3.7%	-0.3%
% employees with a disability	5.8%	6.2%	0.4%
% employees who are veterans	7.9%	7.2%	-0.7%
Avg. annual salary	\$56,427	\$59,436	5.3%
Represented by a bargaining unit	88.7%	88.8%	0.1%
Permanent or unlimited status	91.3%	91.2%	-0.1%
Avg. length of service	12.9 years	12.7 years	-0.2 years
Full-time employees	86.3%	86.4%	0.1%
New hires	4,867	5,612	15.3%
Retirements	1,273	1,066	-16.3%
Avg. retirement age	61.3	61.9	-0.6
Voluntary turnover	9.4%	9.0%	-0.4%
Number of employees age 60 or older	4,745	4,965	4.6%
% of employees age 60 or older	13.8%	14.2%	0.4%
Number of employees age 50 or older	15,293	15,331	0.2%
% of employees age 50 or older	44.5%	43.8%	-0.7%

About the Executive Branch

This section contains information about the Executive Branch as a share of the entire state government workforce, the number and change in Executive Branch appointments during Fiscal Year 2016, and the distribution of the Executive Branch workforce, both among state agencies and geographic dispersion around the state, and bargaining unit representation.

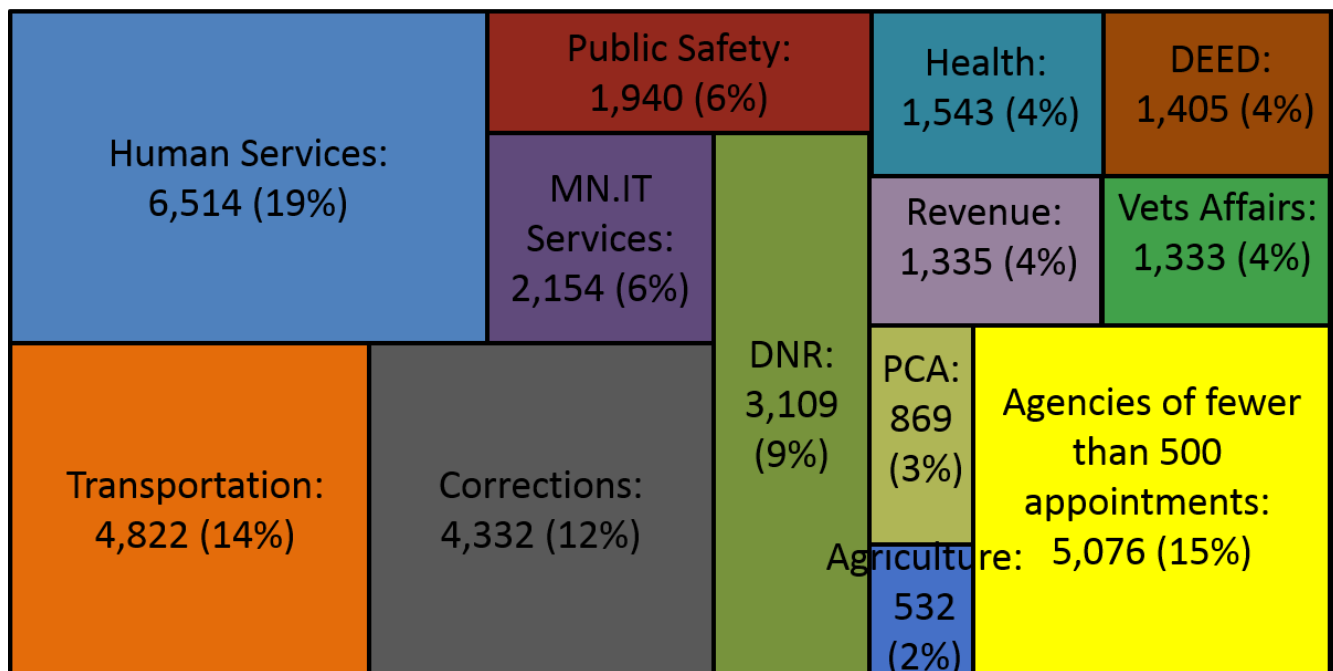
Workforce Size

The Executive Branch accounts for 89 percent of state government-filled positions during FY 2016. The remaining 11 percent includes positions in the Judicial Branch, the Legislative Branch (to the extent that data are available) and the State Retirement Systems; all position data exclude the MnSCU system. In total, the Executive Branch workforce comprises 35,832 positions.

Nearly one in five (19 percent) of the Executive Branch workforce works at the Department of Human Services, the state’s largest agency. Transportation and Corrections account for 14 and 12 percent respectively. The six largest agencies account for 66 percent of the entire Executive Branch workforce. Fifteen percent of staff work in agencies with fewer than 500 appointments. See Figure 1.

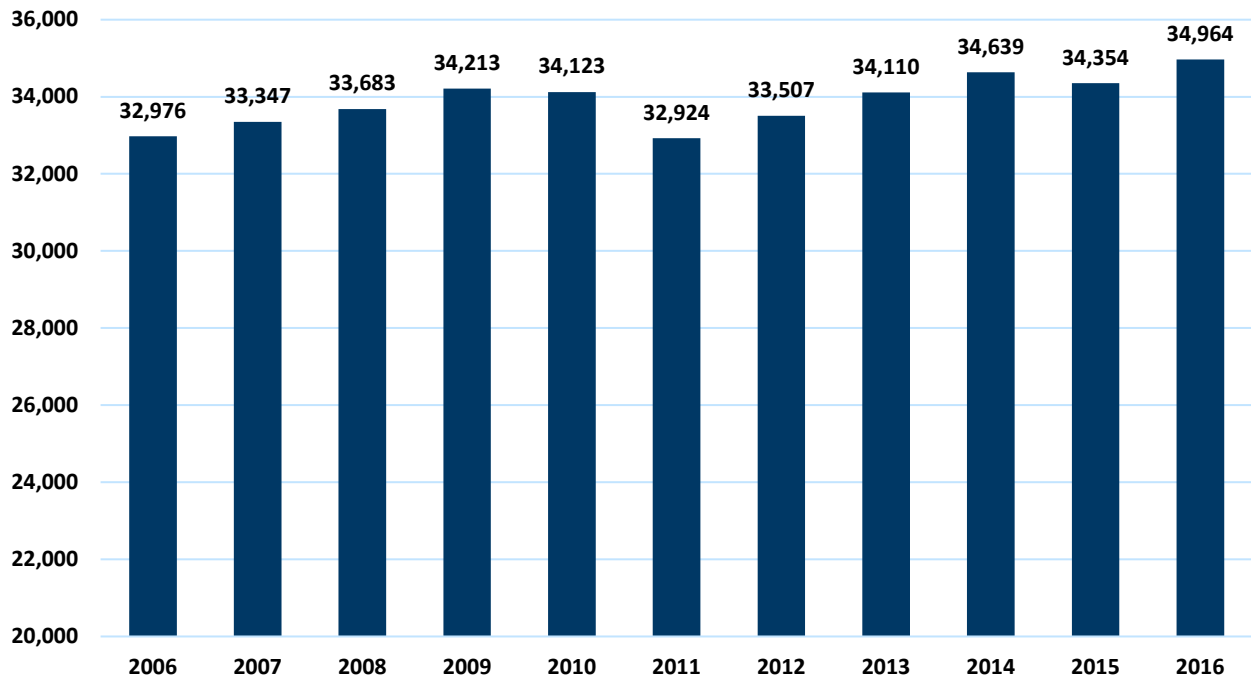
The Executive branch also includes numerous boards and committees, most of which have less than 30 employees, including two with only one employee.

Figure 1: Executive Branch Workforce by Largest Agencies- Number of Appointments and Percent of Total Executive Branch Employment FY 2016



The state’s workforce has fluctuated between about 33,000 and 35,000 employees since 2007. Employment in 2016 is up about 600 positions (1.8 percent) from FY 2015.

Figure 2: Executive Branch Workforce Size, FY 2006-16



The recent increase in positions cannot be attributed to a single event. However, the Department of Human Services has witnessed an increase in hiring after an increase in funding passed in the 2016 legislative session. This has allowed the department to fill previously open vacancies at the Minnesota State Hospital, the community behavioral health hospitals and other divisions.

The decline in 2011 and partial recovery in 2012 is due to a large number of retirements due to early retirement incentives. Other attrition strategies and hiring restrictions in place at that time temporarily held down the size of the workforce. The employment increases seen in 2012 and 2013 then may be due in part to filling some of the functions left vacant by these early retirements. Other new state programs and initiatives, such as the creation of MNSure for example, are also likely to have resulted in net employment gains.

Individual agency workforce size has fluctuated in the past year for various reasons. See Table 2 for changes at individual agencies. The increase is spread across agencies with the Departments of Human Services, Transportation, Natural Resources, Public Safety and MN.IT Services accounting for 558 of the 610 appointments created in the Executive Branch. Gains were partially offset by much smaller losses at the Pollution Control Agency (-47), Employment and Economic Development (-43) and other agencies (-46).

Table 2: Appointments by Largest State Agencies (FY 2016) and Change from FY 2015

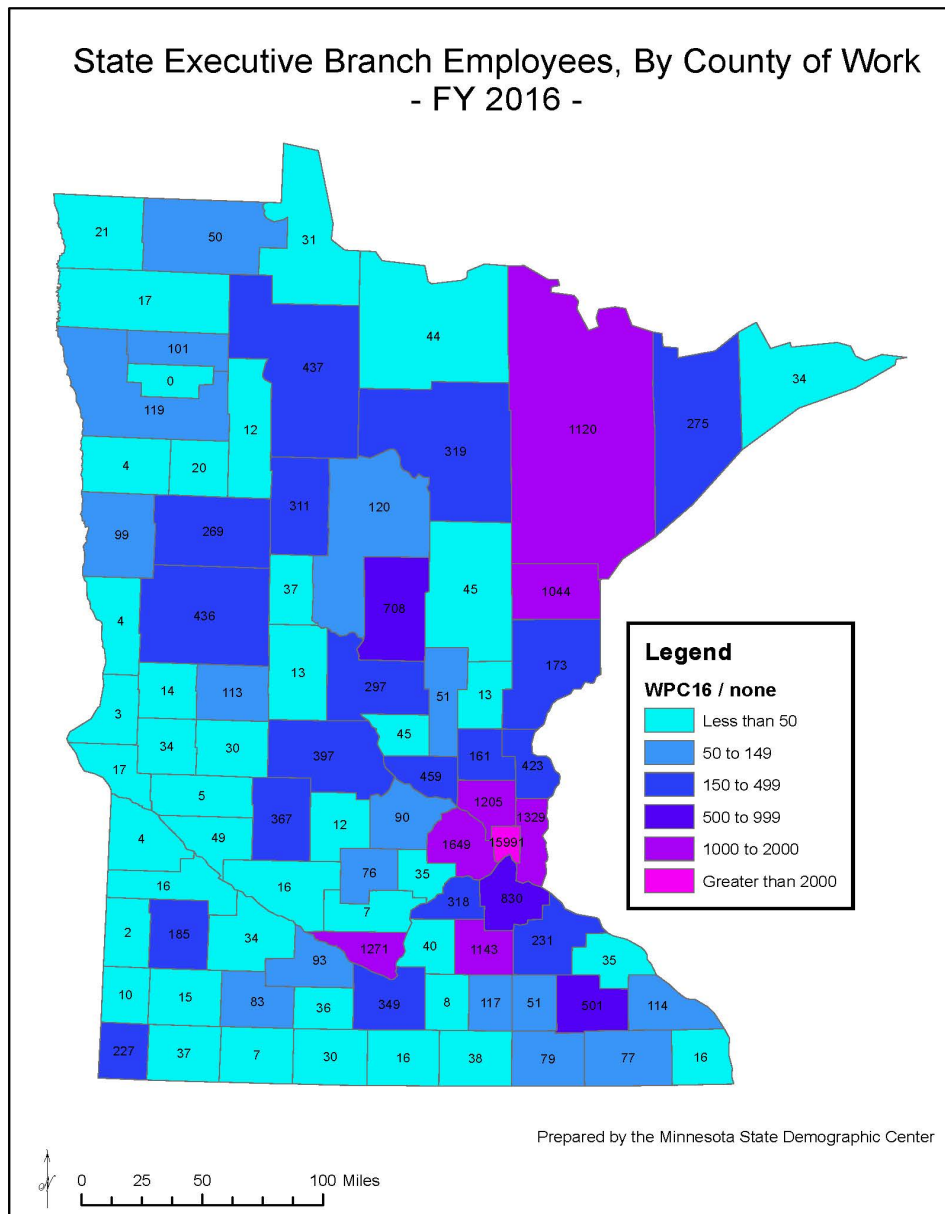
Agency	2015 Appointments	2016 Appointments	Change	Percent Change
Human Services	6,282	6,514	232	3.7%
Transportation	4,678	4,822	144	3.1%
Corrections	4,348	4,332	-16	-0.4%
Natural Resources	3,057	3,109	52	1.7%
MN.IT Services	2,095	2,154	59	2.8%
Public Safety	1,869	1,940	71	3.8%
Health	1,502	1,543	41	2.7%
Employment & Economic Dev.	1,448	1,405	-43	-3.0%
Revenue	1,359	1,335	-24	1.8%
Veterans Affairs	1,345	1,333	-12	-0.9%
Pollution Control Agency	916	869	-47	-5.1%
Agriculture	506	532	26	5.1%
Administration	460	480	20	4.3%
Labor & Industry	425	463	38	8.9%
Military Affairs	352	370	18	5.1%
Education	393	381	-12	-3.1%
Commerce	361	362	1	0.3%
MN Zoo	326	346	20	6.1%
Attorney General	323	335	12	3.7%
MN State Academies	289	313	24	8.3%
Housing Finance Agency	235	243	8	3.4%
MN Management & Budget	243	235	-8	-3.3%
MNsure	136	145	9	6.6%
Lottery	163	158	-5	-3.1%
Perpich Ctr. for Arts Education	108	103	-5	-4.6%
Water & Soil Resources Board	97	103	6	6.2%
All Other Agencies	1,038	1,039	1	0.1%
Total Appointments	34,354	34,964	610	1.8%

Regional Employment

The state's Executive Branch workforce is distributed across the entire state with employees reporting to workplaces in 86 out of 87 counties. Red Lake County is the only county without Executive Branch employees. A small number of employees (29 total, or 0.1 percent) work in out-of-state locations.

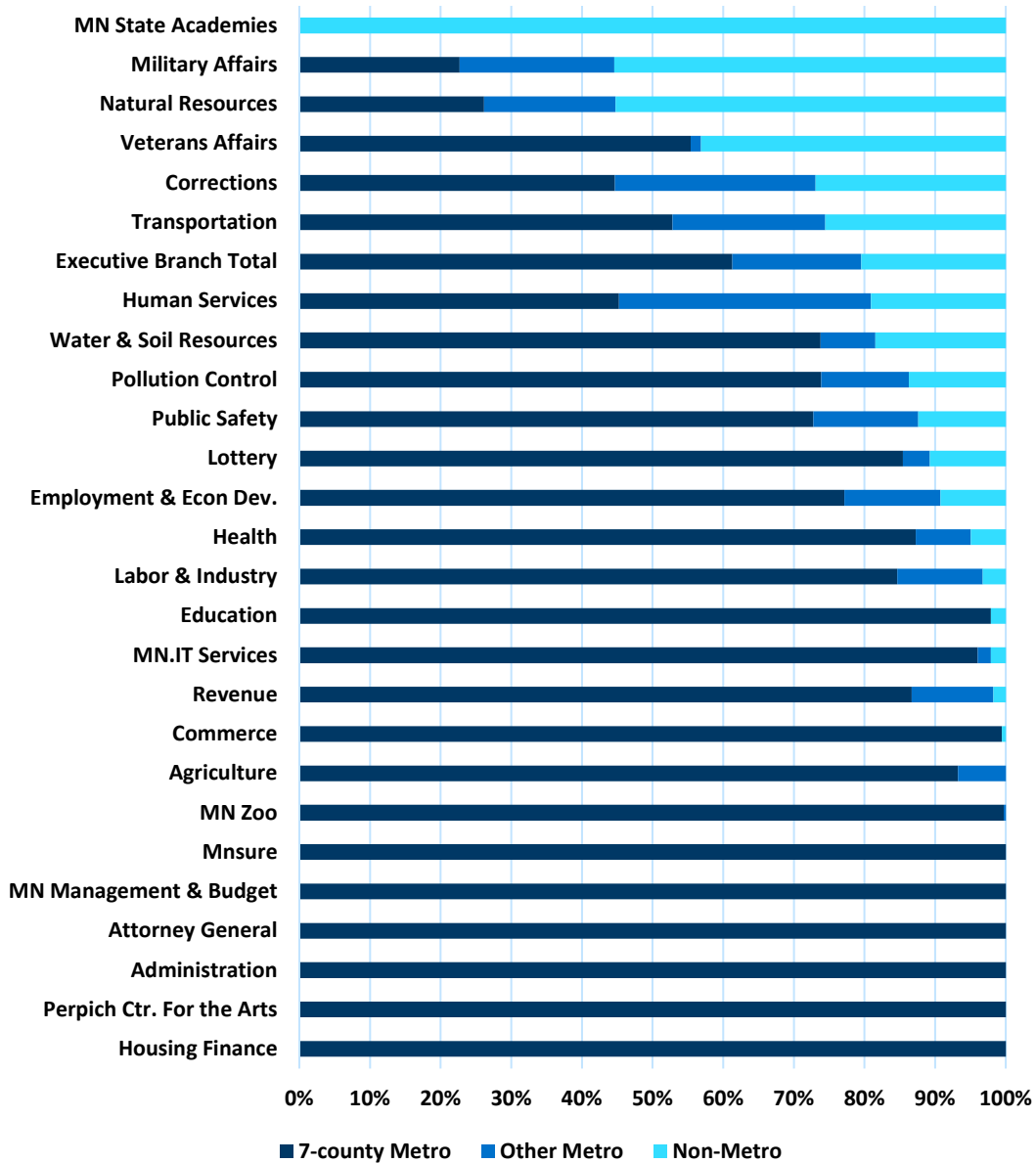
As home to the State Capitol and most agencies, Ramsey County hosts the largest number of employees (46 percent of the total, representing 15,991 employees). Sixty-one percent of the state's Executive Branch employees work in the Twin Cities 7-county metropolitan area while 39 percent work throughout greater Minnesota. See Figure 3 for a map of Executive Branch employee work locations.

Figure 3: Statewide Executive Branch Workforce Distribution by County of Employment



Because the nature of the work of each state agency is different, agencies differ in the geographic dispersion of jobs in the metropolitan and non-metropolitan regions. Figure 3 shows agency employment distribution by Twin Cities Metro (7-County), other metro (e.g. Duluth, St. Cloud, Rochester, Mankato, Fargo, Grand Forks and La Crosse) and non-metro areas. About 18 percent of state staff work in these other metro areas while 20 percent work in non-metro areas.

Figure 4: Distribution of Executive Branch Jobs by Metro/Non-Metro Regions



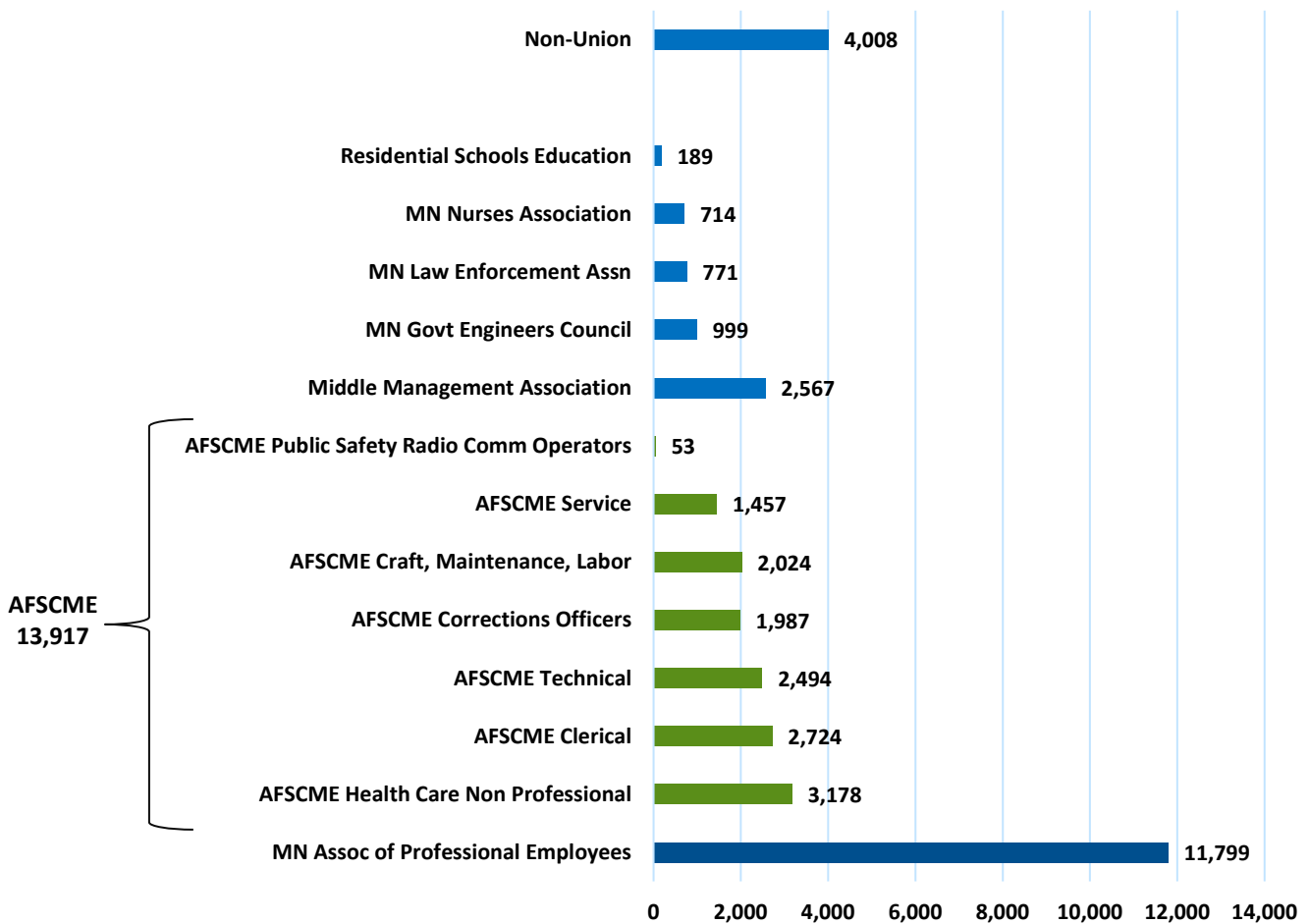
Since the Minnesota State Academies for the Deaf and the Blind is located in Faribault, 100 percent of its employment is in non-metropolitan. The Iron Range Resources and Rehabilitation Board is headquartered in Eveleth in St. Louis County- making it part of the Duluth-Superior Metropolitan Area.

The Department of Transportation’s district offices, the Department of Human Services’ regional treatment centers, the Veterans homes and state correctional facilities are major employment hubs for workers outside the Twin Cities metro area. These and other agencies show a mix of employment across geographic types and face staffing opportunities and challenges particular to regional labor markets.

Representation

Labor unions represent the vast majority (89 percent) of Executive Branch workforce employees. The largest representative is the American Federation of State, County, and Municipal Employees (AFSCME), which covers about 14,000 appointments or 39 percent of total Executive Branch employment.

Figure 5: Statewide Executive Branch Workforce by Bargaining Units



The second largest union is the Minnesota Association of Professional Employees (MAPE), accounting for 34 percent of the total Executive Branch workforce and representing about 11,800 appointments who perform a wide array of specialized services from accounting to demography to zoology. Other unions include the Middle Management Association (MMA), Minnesota Government Engineers Council (MGEC), Minnesota Law

Enforcement Association (MLEA), Minnesota Nurses Association (MNA), State Residential Schools Educators Association (MRSEA) and Health Treatment Professionals.

About 11 percent of Executive Branch appointments are not represented by unions. Terms and conditions of employment for these individuals are, for the most part, covered by the managerial and commissioner plans.

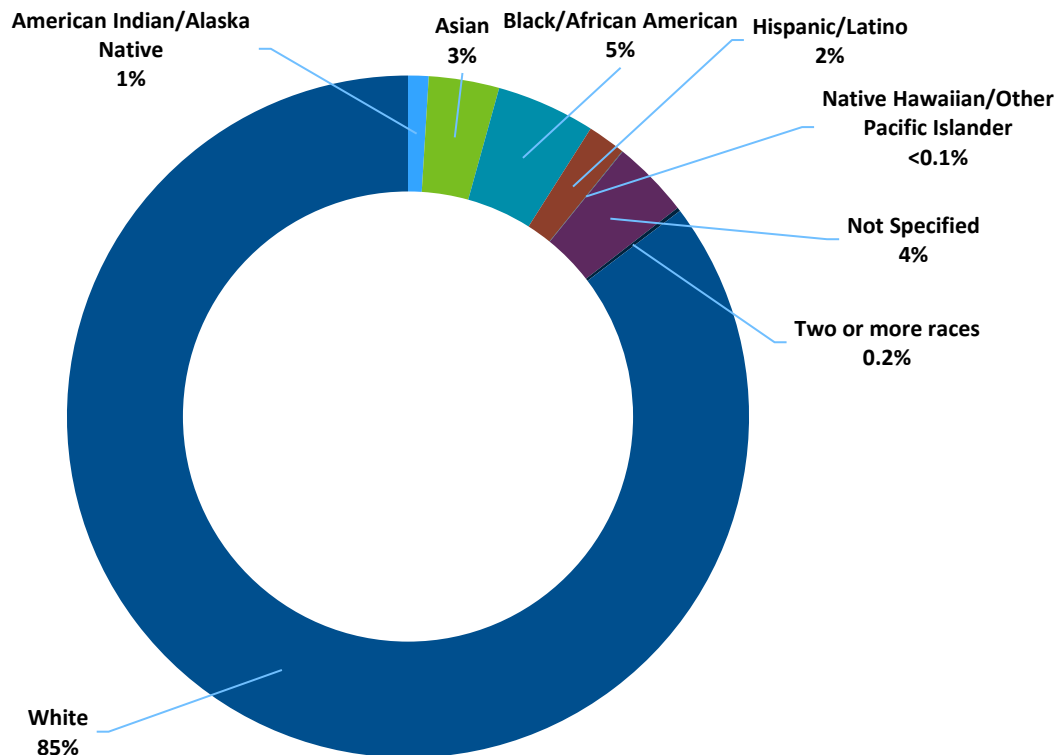
Demographics of the State Executive Branch Workforce

This section contains information about the characteristics of workers in the state Executive Branch- their self-identified race/ethnicity, gender, age, disability, and veteran status.

Protected Characteristics (Race/Ethnicity, Gender, Disability, and Veteran Status)

Statewide, 85 percent of employees who voluntarily disclosed their racial and ethnic background are White and about 11 percent are racial/ethnic minorities. However, significant racial variation exists by agency. Notably, 4 percent of staff opt to not report their race/ethnicity.

Figure 6: Detailed Racial Composition of the Executive Branch Workforce



Of all agencies with over 100 employees, MNSure is the most racially diverse with about 27 percent of its staff identifying with a racial/ethnic minority group. The departments of Veterans Affairs, MN.IT Services, Administration and the Housing Finance Agency are among the most racially diverse agencies. See Table 3.

Individuals with disabilities represent about 6 percent of the entire Executive Branch workforce. Among larger agencies, the Minnesota State Academies stands as a leader in the employment of individuals with disabilities at 20.4 percent. See Table 3 series.

Across the Executive Branch, 17,409 women and 17,503 men are employed, for a rough 50-50 female-to-male ratio. However, significant gender variation exists by agency. Four agencies- Department of Education, Department of Health, Minnesota State Academies, and Housing Finance Agency - employ a workforce that is 70 percent or more female. Among the Departments of Military Affairs and Transportation, this percentage is reversed, with more than 70 percent of employees being male. See Table 3 series.

Table 3 Series: Agencies with the Highest Staffing of Racial/Ethnic Minorities, Employees with Disabilities, Female Employees and Veterans

Table 3.1: Agencies with the Highest Racial/Ethnic Minority Staffing

Agency	Racial/Ethnic Minorities
MNsure	39 (26.9%)
Veterans Affairs	285 (21.4%)
Administration	83 (17.3%)
MN.IT Services	358 (16.6%)
Housing Finance Agency	39 (16.0%)

Table 3.2: Agencies with the Highest Staffing of Employees with Disabilities

Agency	Employees with Disabilities
MN State Academies	64 (20.4%)
Attorney General	45 (13.4%)
Employment & Economic Development	159 (11.3%)
Housing Finance Agency	26 (10.7%)
Lottery	14 (8.9%)

Table 3.3: Agencies with the Highest Female Staffing

Agency	Female Employees
Education	297 (78.0%)
Health	1,166 (75.6%)
MN State Academies	230 (73.5%)
Housing Finance Agency	172 (70.8%)
Veterans Affairs	931 (69.8%)

Table 3.4: Agencies with the Highest Veteran Staffing

Agency	Veteran Employees
Military Affairs	118 (31.9%)
Corrections	541 (12.5%)
Public Safety	234 (12.1%)
Transportation	464 (9.6%)
Labor & Industry	42 (9.1%)

Across the Executive Branch, about 7 percent of employees indicate they are veterans. Three of the largest agencies employ 10 percent or more veterans. Veterans represent 4.4 percent of the total employed workforce in Minnesota. See Table 3 series.

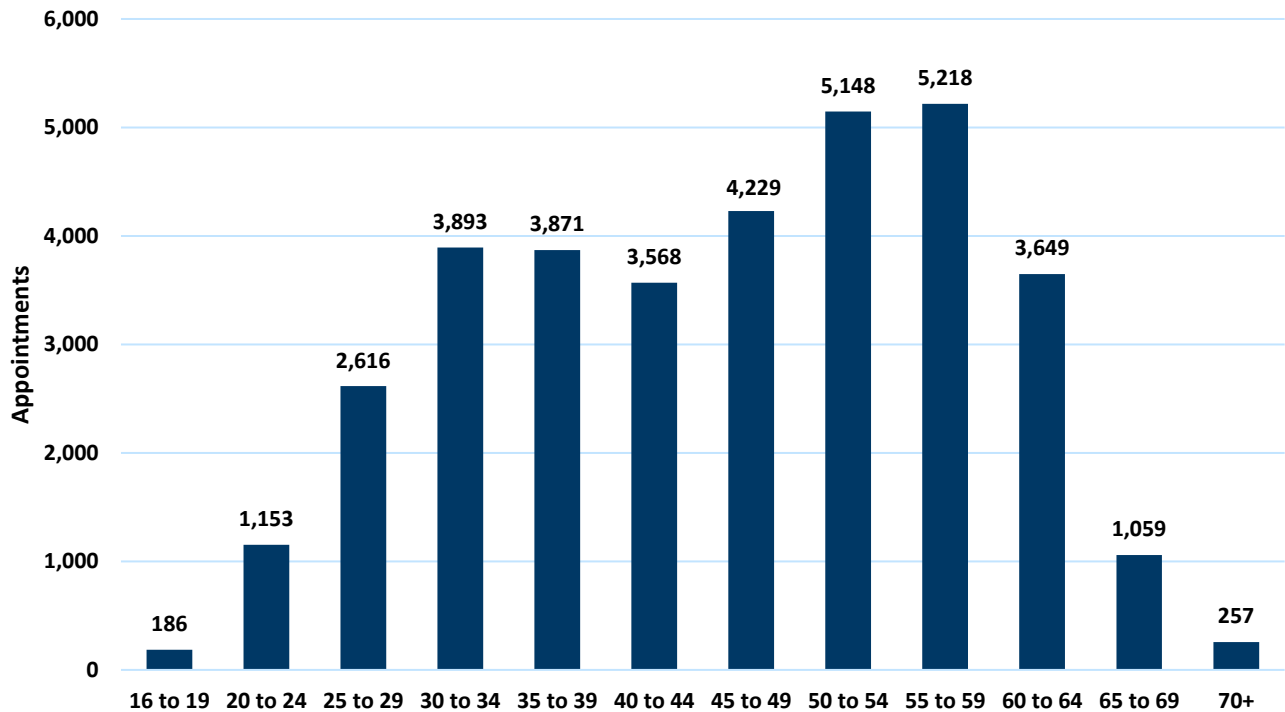
See Appendix Table 1 for a list of the largest agencies and their racial, gender, disability and veteran makeup.

Age

The median age of the state workforce stands at 47- meaning that half of the workforce is over 47 and half is under age 47. See Figure 7 for a distribution of employees by age. Most Executive Branch employees fall into a grouping of 55 to 59 years old. The second largest 5-year employee cohort are those age 50 to 54. Forty-four percent of the entire workforce is 50 years or older, raising considerations for impending retirements, workforce planning, and knowledge transfer. Agencies must be prepared with tools to tackle these challenges in the coming years. The Executive Branch Workforce is substantially older than Minnesota’s overall workforce with a median age of 40.2 years.¹

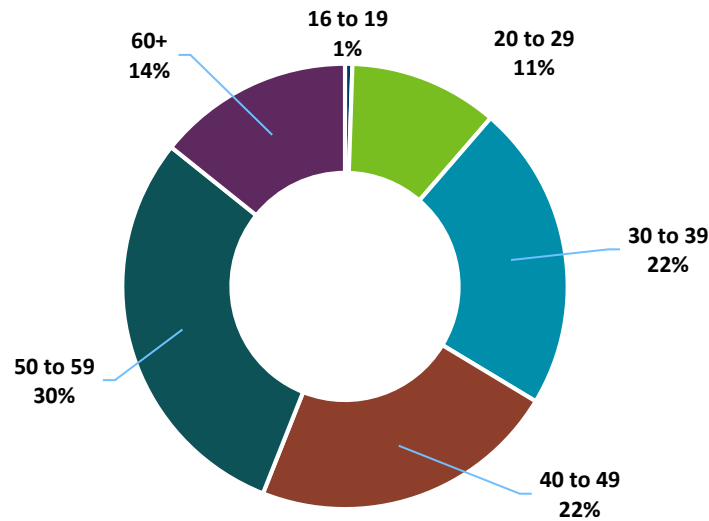
Altogether, about 10,300 workers- nearly one-third of the total Executive Branch workforce- are currently in their fifties. Employees in their 40s make up 22 percent of the workforce while workers in their 30s make up another 22 percent of the state workforce. See Figure 8.

Figure 7: Distribution of Executive Branch Appointments by 5-Year Age Cohorts



¹ US Census American Community Survey 2016.

Figure 8: Distribution of Executive Appointments by Age Cohorts, FY 2016



Age trends vary by agency. Among agencies with 200 or more workers, the Department of Labor and Industry has the oldest workforce with an average of 51 years. Three other agencies (MN.IT Services, Employment and Economic Development and Education) have an average workforce age of 49 years. MNsure is the youngest major agency with an average age of 38. See Appendix Table 2 for age and retirement data for the largest state agencies.

Executive Branch Workforce Characteristics Relative to Minnesota’s Workforce

This section contrasts the major characteristics of the Executive Branch workforce with Minnesota’s labor force as a whole, to examine how the state’s workforce differs significantly from the population. The labor force consists of all Minnesotans over the age of 16 who are employed or unemployed (not working but actively searching for a job).

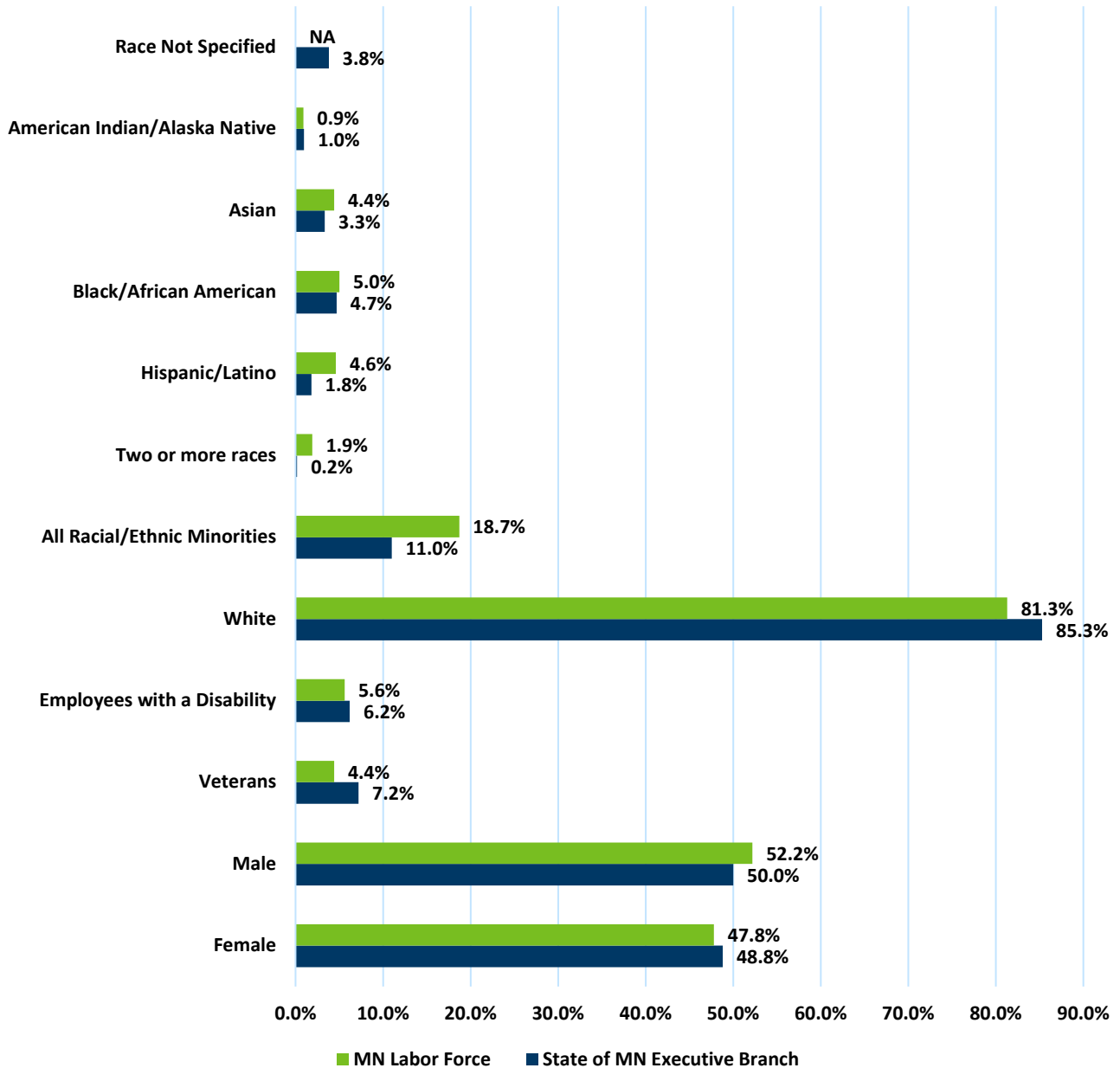
Minnesota’s labor force is becoming more diverse as racial and ethnic minorities represent the fastest growing segment of the population. Similarly, the percent of individuals with a disability and veteran workers make up a significant proportion of the workforce. As an employer and a provider of services to this population, it is important that the State of Minnesota have a demographic makeup similar to the population.

The Executive Branch workforce exceeds the state workforce as a whole in terms of the percent of employees who are women (49.8 percent), veterans (7.2 percent) or disabled (6.2 percent). The percent of employees who identify as being American Indian or Alaska Native is comparable between the Executive Branch and the state workforce at 0.9 percent. See Figure 9.

However, the state as an employer differs in terms of staffing racial/ethnic minorities as compared to the Minnesota workforce. About 12 percent of state workers reported being a racial/ethnic minority compared to

almost 19% of the Minnesota workforce. The state is very close to matching the Minnesota workforce in the staffing of American Indian/Alaska Native and Black/African American workers- within one tenth of one percent. Hispanic/Latino employees are most likely to be underrepresented in Executive Branch employment relative to their share in the overall state workforce. It is important to note that data is not available for the about 4 percent of workers who have not reported their race/ethnicity.

Figure 9: Characteristics of the Executive Branch and the Minnesota Statewide Labor Force, FY 2016



Racial and ethnic minorities are making up a larger share of Minnesota's population and labor force². According to the Minnesota State Demographic Center, the racial/ethnic minority population grew 47% between 2005 and 2015 compared to 10% for the entire population. Moreover, this demographic is projected to grow 50% from 2015 to 2035 compared to 13% for the entire population. By 2035, people of color will make up 25% of the population compared to 13% in 2015.

Beyond natural increase, Minnesota's population is diversifying due to immigration³. Between 2008 and 2012, the number of Minnesotans leaving the state for other states averaged 113,000 annually. Over the same time period the state averaged 101,000 new residents coming from other states-a loss of 12,000 on average due to domestic migration. However, the state has continued to grow because of its attractiveness to immigrants from other nations- adding 24,000 annually between 2008 and 2012 and leading to a net average annual increase of 12,000 people. About 19% of those moving into the state are from another nation. Between 2008 and 2012, African nations (3,700 immigrants), India (2,000 immigrants), Mexico (1,600 immigrants) and China (1,500 immigrants) accounted for 36% of new immigrants into the state.

² Minnesota Population Projections by Race and Ethnicity 2005-2035. MN State Demographic Center. January 2009.

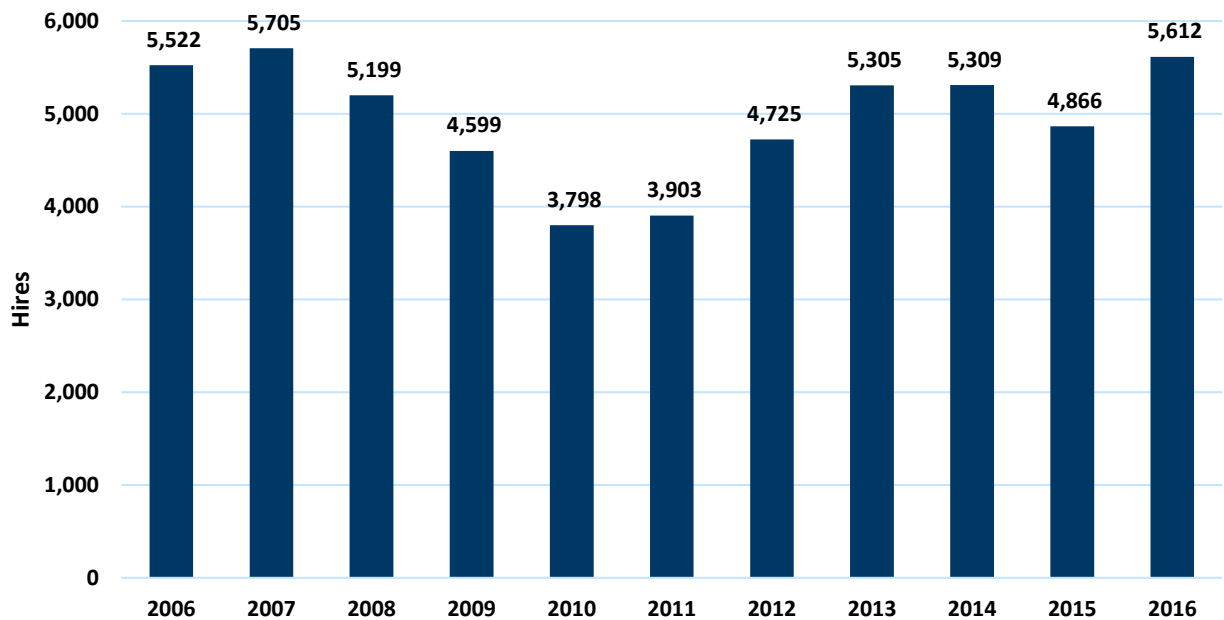
³ Minnesota on the Move: Migration Patterns and Implications. Minnesota Demographic Center. January, 2015.

Workforce Dynamics: Hiring and Separation

This section contains information about newly hired employees during Fiscal Year 2016, hiring trends over the past decade, the racial/minority status of new hires, and a comparison of the characteristics of new hires versus the entire Executive Branch workforce

Hiring

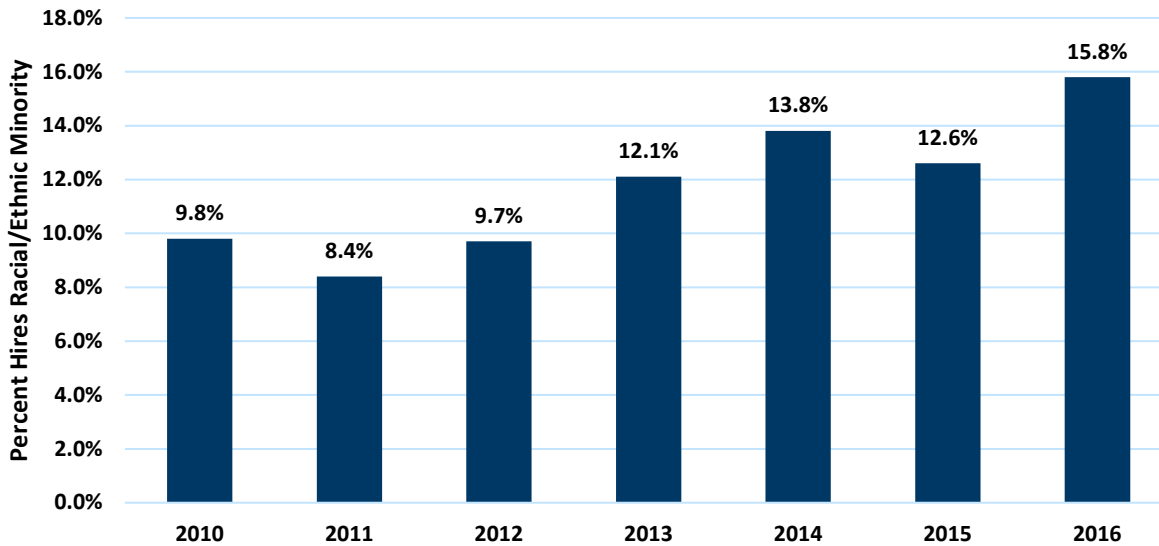
Figure 10: Executive Branch Hires by Fiscal Year, FY 2006-16



In FY 2016, about 5,600 positions were filled in the Executive Branch with about 750 more employees hired than in FY 2015. See Figure 10. In each of the last 10 years, over 70 percent of all hires in the Executive Branch were placed in classified positions. In FY 2016, 78 percent of hires were in classified positions.

New Hire Demographics

Figure 11: Executive Branch New Hires who identify as a Racial/Ethnic Minority



The percent of new hires that identify with a racial/ethnic minority group has steadily increased in recent years. In fiscal year 2016, 16 percent of new hires self-identified as racial/ethnic minority group member compared to just over 8 percent in 2011. It should be noted that employees are not required to report this information. About 19 percent of new hires did not report in 2016.

New hires are significantly younger and more racially/ethnically diverse than the total Executive Branch workforce. The median age of new hires is 33 years compared to 47 years among all employees. The percentage of new hires that identify as racial or ethnic minorities is greater than the percentage of all minorities in the overall state workforce by 6 percentage points.

Seven percent of new hires in FY 2016 were veterans, a rate lower than the general workforce at about 1 percent. New hires with disabilities lag the overall workforce by 1.2 percentage points.

Table 4: Characteristics of Executive Branch Hires vs. Total Workforce

FY 2016	New Hires	New Hires %	Total Employees	Total Employees %
Number of employees	5,612	100.0%	34,964	100.0%
Age				
Median age	33	NA	47	NA
Employees age 60+	387	6.9%	4,965	14.2%
Race				
Race not specified	1,050	18.7%	1,285	3.7%
Race specified	4,562	81.3%	33,679	96.3%
White	3,676	65.5%	29,826	85.3%

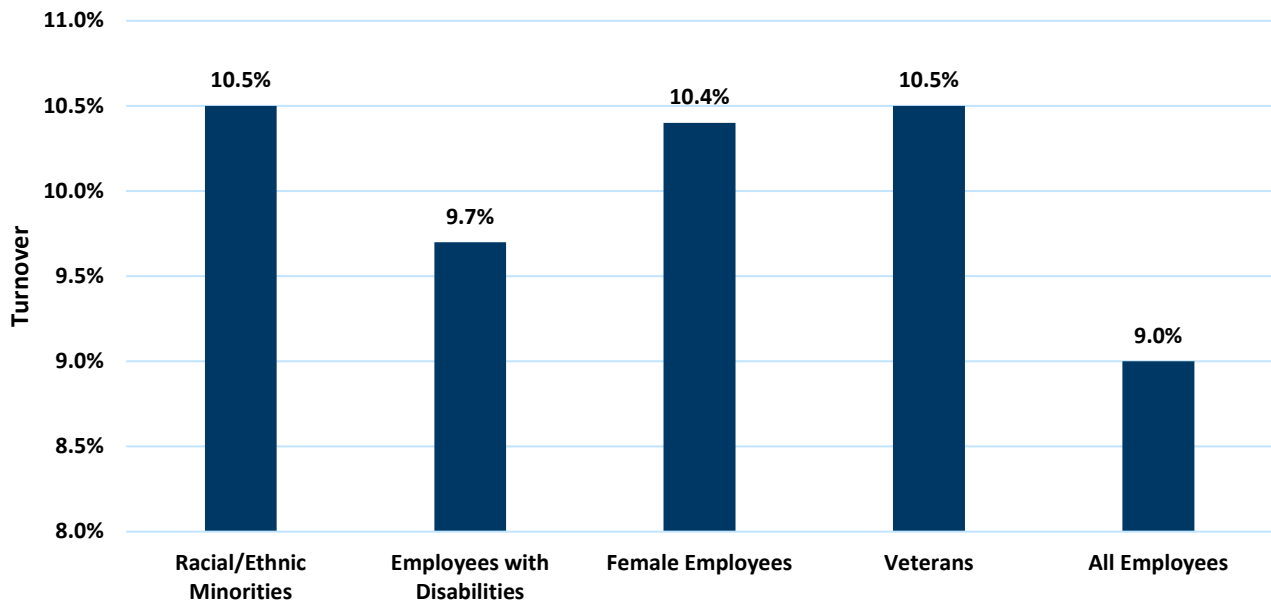
FY 2016	New Hires	New Hires %	Total Employees	Total Employees %
Racial/ethnic minority	887	15.8%	3,853	11.0%
American Indian/Alaska Native	62	1.1%	340	1.0%
Asian	237	4.2%	1,167	3.3%
Black/African American	404	7.2%	1,639	4.7%
Hispanic/Latino	129	2.3%	635	1.8%
Two or more races	47	0.8%	63	0.2%
Native Hawaiian/Other Pacific Islander	7	0.1%	9	<0.1%
Gender				
Female	2,842	50.6%	17,409	49.8%
Male	2,718	48.4%	17,503	50.0%
Gender not reported	52	0.9%	52	0.2%
Disability Status				
With disability	279	5.0%	2,171	6.2%
No disability	5,333	95.0%	32,793	93.8%
Veteran Status				
Veteran status not specified	1,000	17.8%	4,954	14.2%
Veteran status specified	4,612	82.2%	30,010	85.8%
Veteran	377	6.7%	2,715	7.8%
Not a veteran	4,235	75.5%	27,295	78.1%

Employee Turnover

Voluntary turnover measures the percent of employees who leave state government in a year for reasons of retirement or resignation. In FY 2016, about 9 percent of all employees voluntarily left state government- a rate that is fairly typical of most recent years. Managing turnover is important in maintaining the skills and knowledge at the agency and division level.

Turnover differs with various protected groups. Turnover among racial and ethnic minorities, veterans and female employees is about 1.5 percentage points above the level for all employees. See Figure 12. Turnover among employees with disabilities is 0.7 percentage points higher than the rate for all employees. Employees in these groups also tend to be older than the average employee and less likely to resign. The average age of veterans and employees with disabilities stands at 49 compared to 46 for all employees.

Figure 12: Turnover Rates by Protected Group- Executive Branch FY 2016

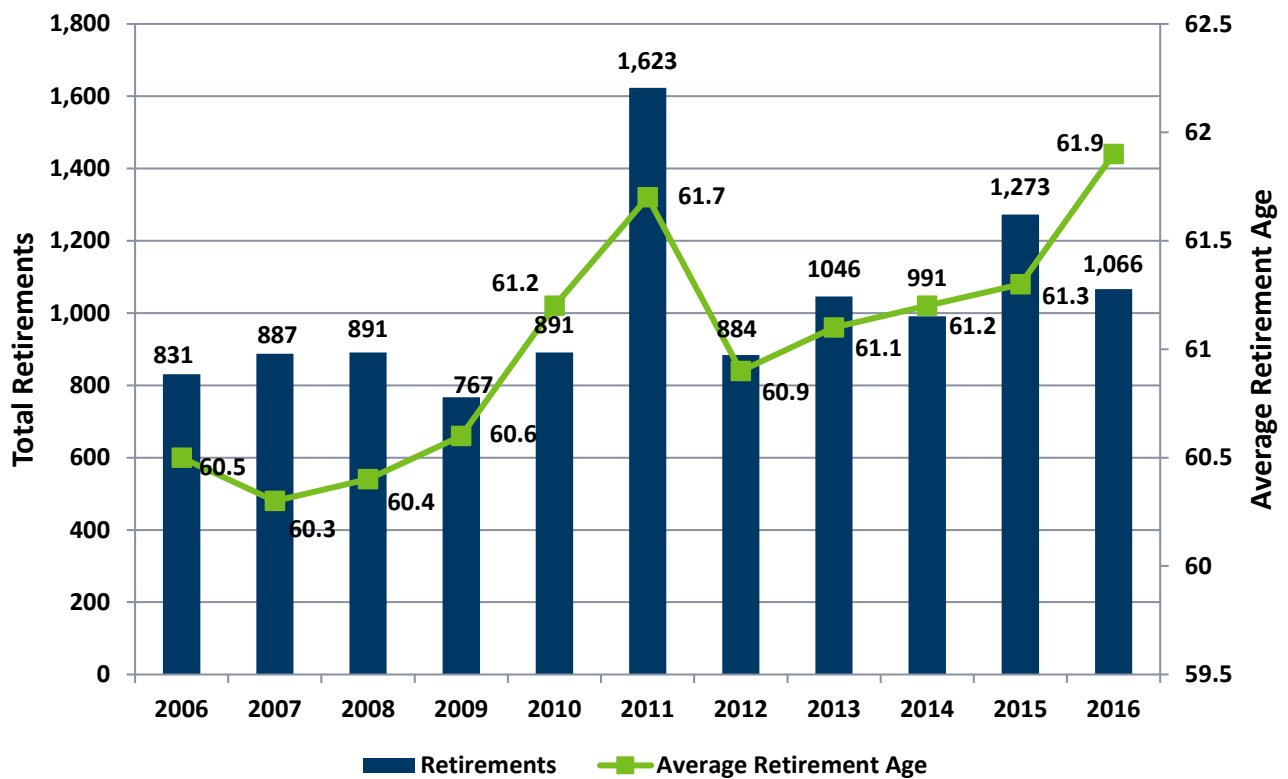


Retirements, the Labor Market and Future Considerations

Retirements

In total, three percent of the Executive Branch workforce, about 1,100 employees, retired from their public service with the state’s Executive Branch in FY 2016 – about 100 less than 2015. This continues a trend of about 1,000 retirements per year since 2013. The FY 2011 spike in retirements was largely due to an early retirement incentive passed by the Legislature, which had to be in place by the end of FY 2011. Given the age structure of state government, it is likely that we will continue to see over 1,000 retirements annually for several years to come.

Figure 13: Annual Retirement Trend, FY 2006 to 2016



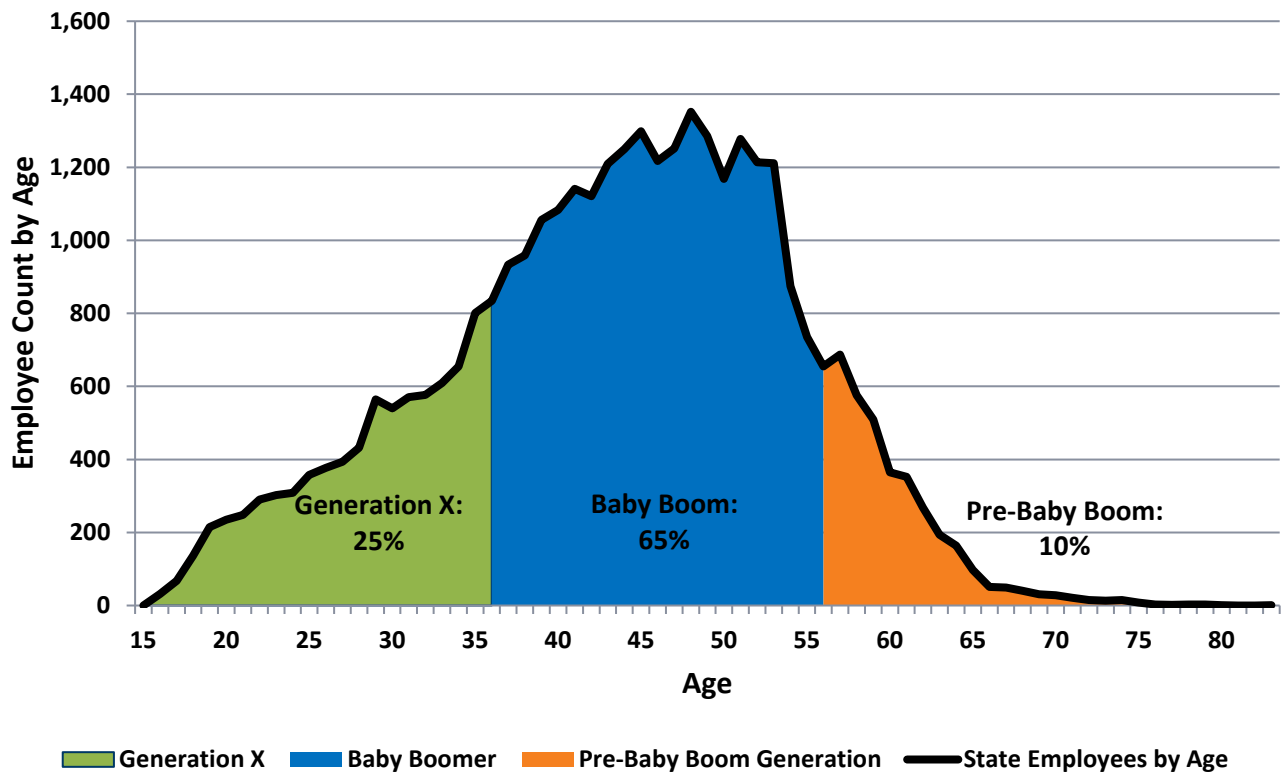
The average age at retirement in FY 2016, 61.9 years, is the highest age in recent history. There are 4,965 employees over 60 years old, an increase of 220 employees since 2015.

With the median age of the workforce being 47 years, 14.2 percent of the workforce 60 years or older, and with an additional 30 percent of all employees between 50 and 59 years old, the Executive Branch is in the midst of a retirement wave that is likely to continue through the coming decade, as the Baby Boomers exit the workforce.

Generations in the Executive Branch Workforce

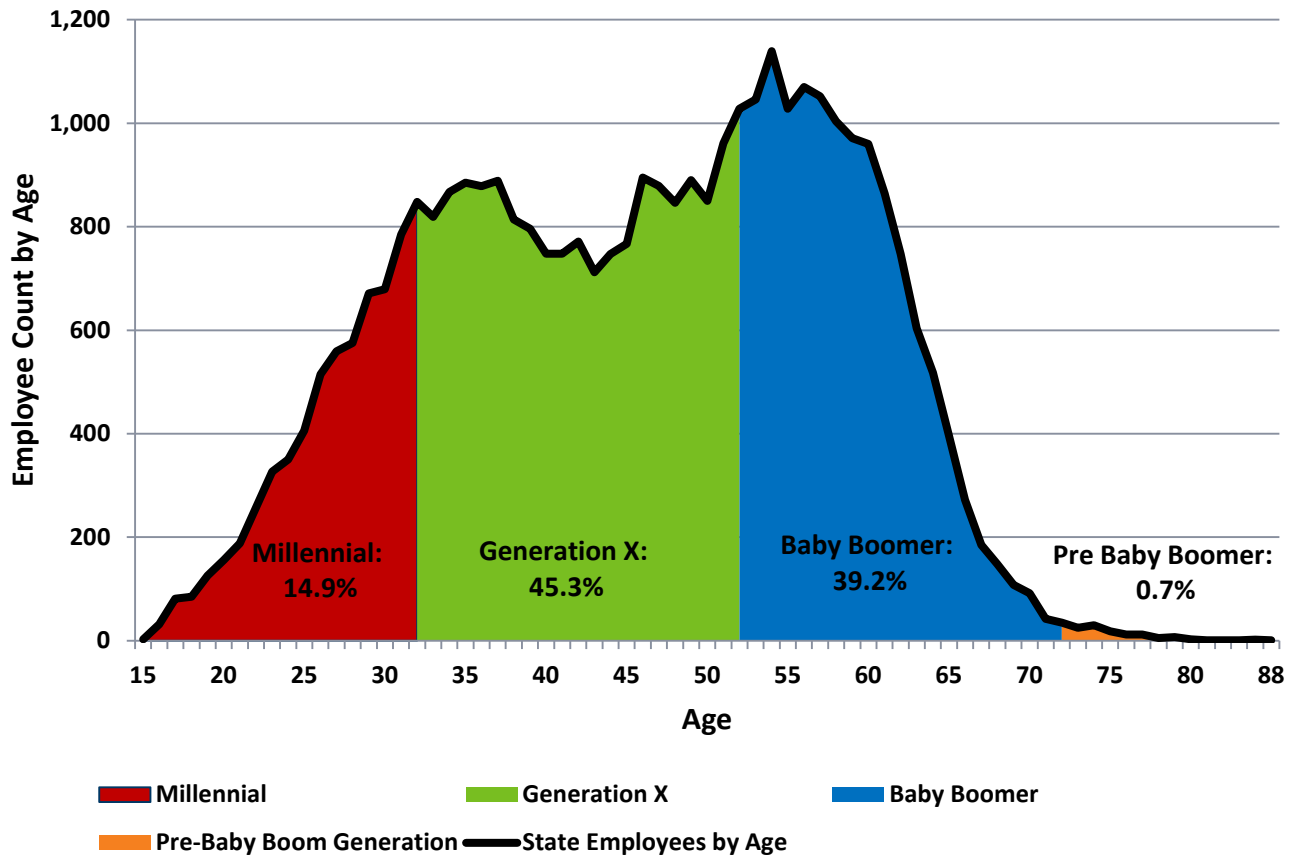
Figures 14 and 15 show the age distribution of Executive Branch employees in 2000 and 2016 respectively. The median age has shifted from 44 in 2000 to 47 in 2016. The Baby Boom Generation which made up 65 percent and the majority of state workers in 2000 now makes up 39 percent of state employment and is second to Generation X in terms of its size. The generation born prior to the Baby Boom Generation- those born prior to 1945 now make up less than 1 percent of total employment. There is no generally accepted standard definition of the various generations. See the Definitions and Technical Notes Section for definitions of the various generations.

Figure 14: Distribution of Executive Branch Employees by Age Cohort and Generation (2000)



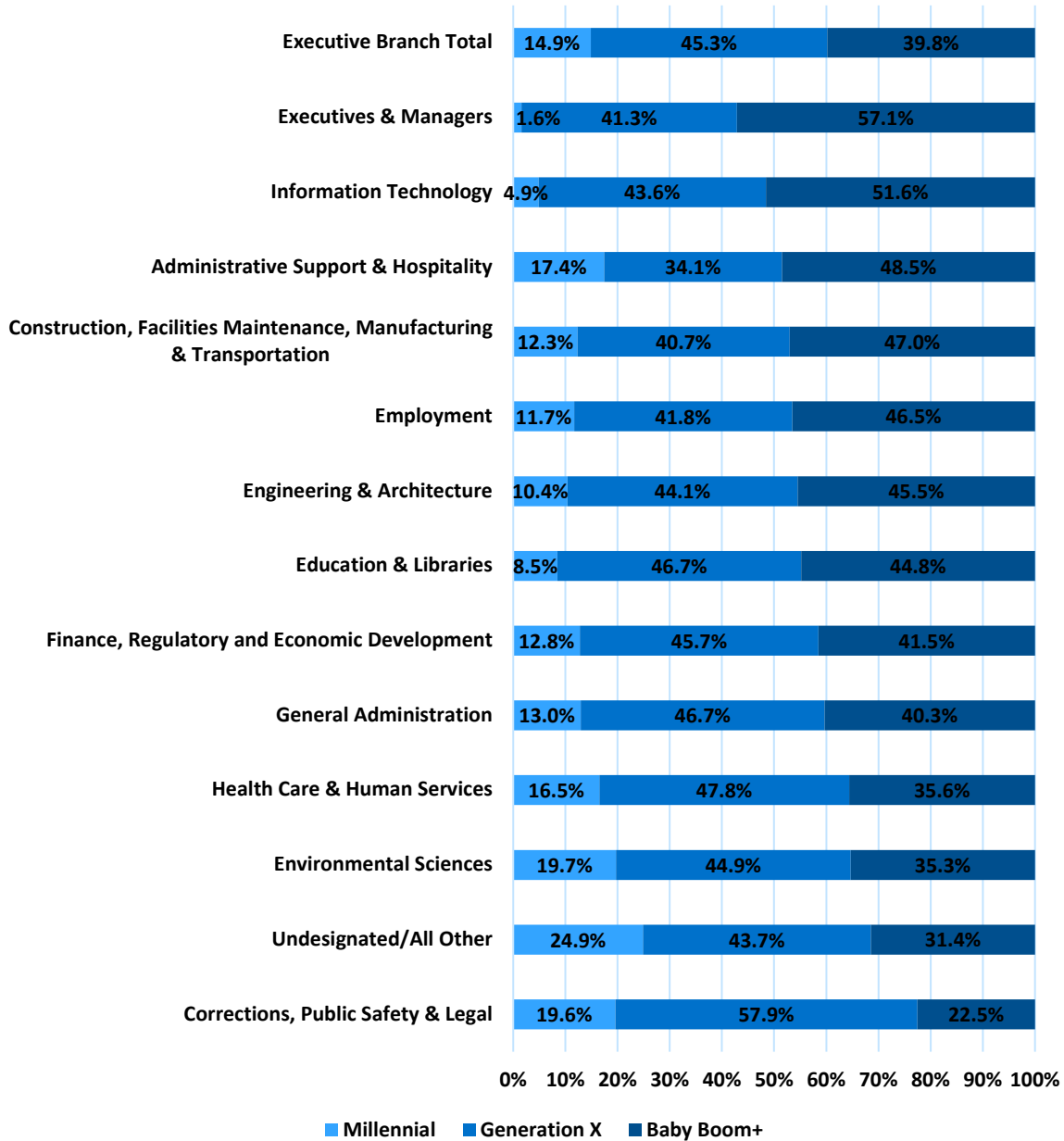
The large peak centered at age 48 in 2000 has been replaced by a 2017 distribution with two peaks. One peak at age 54 represents the largest group of the Baby Boom Generation that is poised to retire. Another peak at age 37 is represented by younger members of Generation X. However, the next generation of workers represented by the Millennial Generation is poised to take its place in state government and already has 17 percent of total employment.

Figure 15: Distribution of Executive Branch Employees by Age Cohort and Generation (2016)



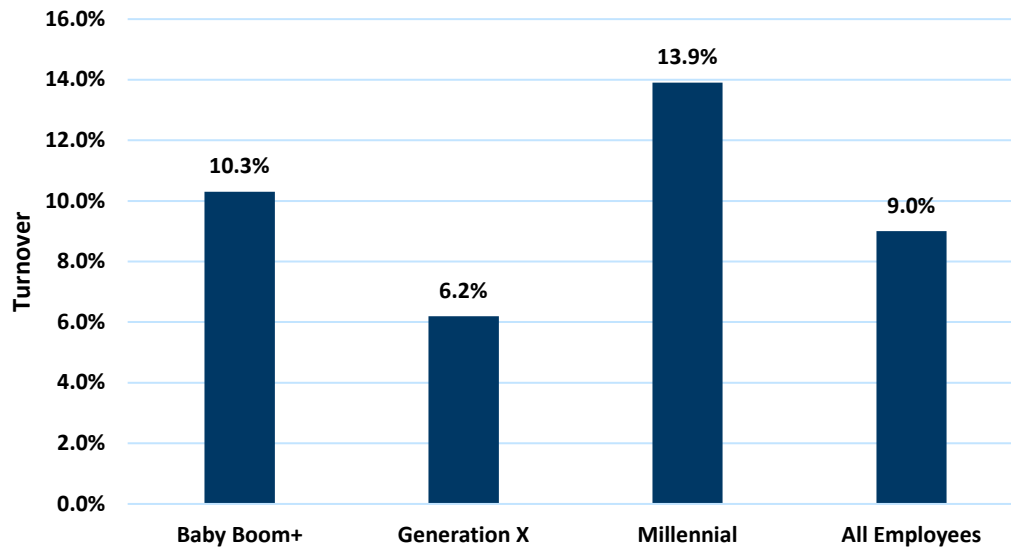
Various state job families have different age structures. See Figure 16. Not surprisingly, Executive Leadership positions are overwhelmingly held by the oldest and most experienced workers. However, information technology and administrative support and hospitality are close behind with 52 and 49% of staff being from the Baby Boom Generation. Corrections and Environmental Sciences have the highest levels of Millennial staff.

Figure 16: State Job Families by Generation, FY 2016



Turnover varies across generational groups with the Millennial Generation having the highest rate (13.9%) followed by the Baby Boom Generation at 10.3%. With the oldest age in the Millennial Generation being 31, turnover is entirely due to resignations with leavers likely finding opportunities outside state service. Separations among the Baby Boom Generation are largely due to retirement. Generation X makes up the largest group in state government and is also the most stable with a turnover rate of only 6.2 percent.

Figure 17: Voluntary Turnover by Generation, FY 2016



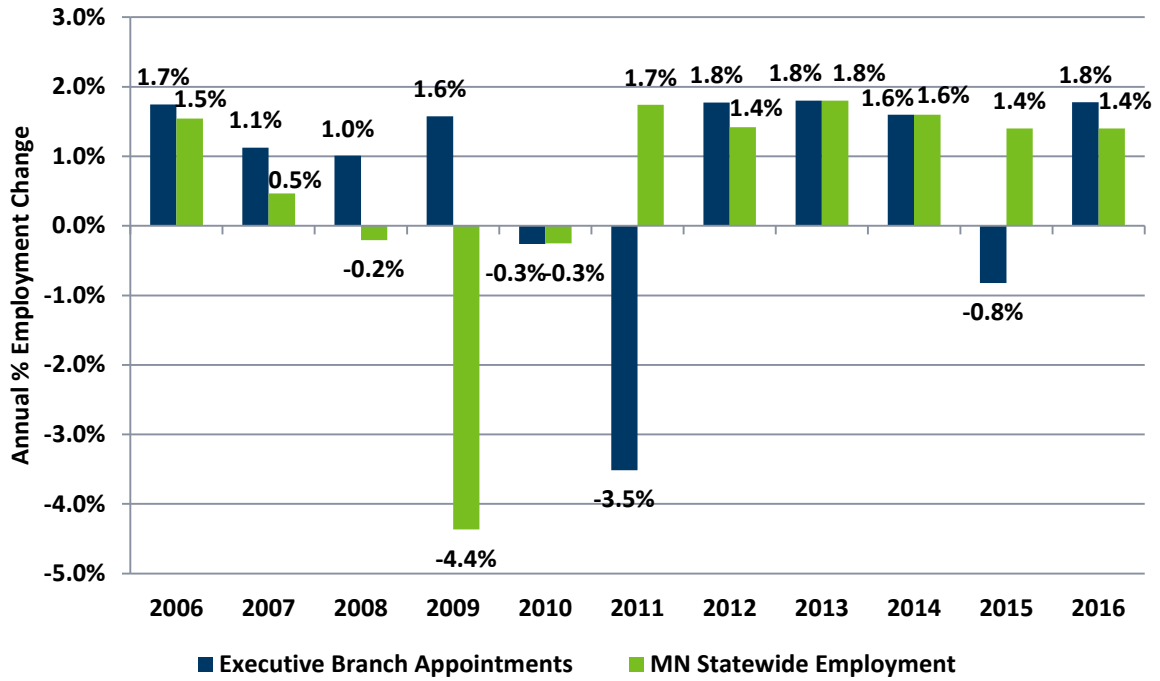
Labor Market Considerations

Between FY 2015 and 2016, the size of the State of Minnesota Executive Branch grew by 1.4 percent. See Figure 16. During the same time period, the state job market grew 1.8 percent or 23,000 jobs. In recent years, Executive Branch employment has kept pace with statewide employment growth. Government employment grew during the recession that began in 2007 before equalizing with the statewide economy in 2010. The previously discussed retirement incentives launched in 2010 resulted in Executive Branch employment losses relative to the economy in 2011.

As an employer, the state faces a tightening labor market. Over the 12 months covered by this report, the state unemployment rate ranged from 3.6 to 3.8 percent. The Minnesota Department of Employment and Economic Development reports that job openings are up 15 percent from 2014- providing opportunities to new entrants into the labor market as well as the unemployed and incumbent workforces. As of Q2 2016, there were roughly as many job openings as unemployed individuals. Minnesota’s labor force participation rate (the percent of persons over 16 employed or looking for a job) reached 70.2% recently. This is over 7 percentage points higher than the US figure. It should be noted this rate is increasing at the same time that the Baby Boomers are leaving the market making future gains unlikely.

DEED’s Labor Market Information Office projects employment in Minnesota to grow 4 percent (adding 130,000 new jobs) between 2014 and 2024. This is a relatively slow rate of job growth but it does not include the replacement openings driven by resignations and retirements. The State of Minnesota is in direct competition with Minnesota’s other employers in attracting a qualified workforce. As the economy grows and the Baby Boom Generation exits the labor force, the state will be challenged to find replacements for its own aging workforce while recruiting qualified staff for new initiatives.

Figure 18: Annual Employment Growth
Minnesota Executive Branch vs. Minnesota Statewide Employment* (FY 2006 to 2016)



* MN Dept. of Employment and Economic Development, Current Employment Statistics

Appendices

Appendix Table 1: Demographic Composition of the Largest Executive Branch Agencies FY 2016

Executive Branch Agency	Total Appointments	Racial/Ethnic Minority	White	Female/Male Ratio	Persons with Disabilities	Veterans
Human Services	6,514	15.3%	81.1%	67.9%/32.1%	6.1%	5.1%
Transportation	4,822	8.8%	89.3%	21.5%/78.3%	4.4%	10.1%
Corrections	4,332	7.7%	89.9%	39.5%/60.5%	6.4%	13.5%
Natural Resources	3,109	3.7%	93.2%	39.3%/60.3%	6.2%	5.6%
MN.IT Services	2,154	16.6%	79.8%	37.7%/62.3%	7.1%	8.8%
Public Safety	1,940	9.2%	86.7%	43.0%/57.0%	5.1%	12.8%
Health	1,543	11.3%	85.2%	75.6%/24.4%	5.6%	2.3%
Revenue	1,335	14.4%	81.7%	57.7%/42.3%	7.0%	4.0%
Employment & Economic Dev.	1,405	12.2%	84.3%	68.3%/31.5%	11.3%	6.8%
Veterans Affairs	1,333	21.4%	69.4%	69.8%/30.1%	5.8%	9.2%
Pollution Control Agency	869	7.0%	89.8%	46.7%/53.2%	3.6%	3.8%
Agriculture	532	8.1%	87.2%	50.4%/48.1%	4.1%	5.3%
Administration	480	17.3%	78.3%	40.6%/59.3%	5.8%	6.9%
Labor & Industry	463	10.2%	86.6%	44.9%/54.9%	8.4%	9.3%
Military Affairs	370	5.1%	91.9%	21.9%/78.1%	2.2%	32.7%
Education	381	9.2%	89.8%	78.0%/22.0%	7.9%	1.8%
Commerce	362	9.9%	84.5%	48.9%/51.1%	5.2%	5.8%
MN Zoo	346	4.9%	91.0%	58.1%/41.3%	3.8%	3.8%
Attorney General	335	10.7%	89.0%	62.1%/37.9%	13.4%	3.9%
MN State Academies	313	0.3%	91.1%	73.5%/26.5%	20.4%	1.3%
Housing Finance Agency	243	16.0%	84.0%	70.8%/29.2%	10.7%	3.3%
MN Management & Budget	235	10.2%	85.1%	68.5%/31.5%	7.7%	4.3%
MNsure	145	26.9%	67.6%	61.4%/38.6%	1.4%	2.1%
Lottery	158	10.8%	84.8%	48.7%/51.3%	8.9%	7.6%
Perpich Center for Arts Ed.	103	13.6%	76.7%	63.1%/36.9%	1.9%	6.8%
Water & Soil Resources Bd.	103	1.0%	86.4%	37.9%/61.2%	3.9%	2.9%
All Other Agencies	1,039	11.4%	79.1%	65.2%/34.6%	5.4%	3.7%
Total Appointments	34,964	11.0%	85.3%	49.8%/50.1%	6.2%	7.8%

Appendix Table 2: Employee Age and Service Demographics by Largest Agency (FY 2016)

Agency	Average Age	Average Years of Service	Total Retirements	Retirement Change from FY 2015
Human Services	45	11	221	-6
Transportation	47	14	133	-29
Corrections	43	12	129	-62
Natural Resources	45	14	88	-8
MN.IT Services	49	14	56	-11
Public Safety	44	13	64	-35
Health	46	12	45	-4
Revenue	44	12	42	-11
Employment & Economic Dev.	49	14	59	-6
Veterans Affairs	46	10	37	8
Pollution Control Agency	46	16	24	-35
Agriculture	47	12	19	5
Administration	48	12	17	3
Labor & Industry	51	15	19	-4
Military Affairs	44	11	9	7
Education	49	13	21	-2
Commerce	46	13	11	-7
MN Zoo	40	10	7	2
Attorney General	43	10	9	-4
MN State Academies	48	16	4	-8
Housing Finance Agency	47	10	8	-7
MN Management & Budget	46	13	7	-2
MNsure	38	4	0	0
Lottery	47	14	3	-2
Perpich Center for Arts Education	49	7	1	-2
Water & Soil Resources Bd.	46	13	1	-3
Total Appointments	45	12	1,066	-207

Definitions and Technical Notes

Appointment: Appointment counts are the number of filled positions. An employee with multiple concurrent jobs (e.g., two part-time jobs at the same time) will be counted once for each job or position regardless if both positions are in the same agency or job class. Because one employee can hold more than one appointment, appointment counts are usually larger than the number of actual employees.

Average: The most representative score in a distribution. The total divided by the number of cases: for example, the average age of the group is determined by adding all ages together and dividing by the number of individuals.

Baby Boom Generation: The U.S. population born between 1946 and 1964 according to Harvard University's Joint Center for Housing Studies.

Calendar year: January 1 through December 31 of a given year.

Central MN Region: The 13 counties of Minnesota encompassing Benton, Chisago, Isanti, Kanabec, Kandiyohi, McLeod, Meeker, Mille Lacs, Pine, Renville, Sherburne, Stearns and Wright counties.

Classified: Most positions in state government are designated as classified status. Classified positions require open competition under state law and a probationary period in order to obtain permanent status. (Compare to [unclassified](#) below.)

Contingent workforce: Temporary, emergency, and provisional employees hired for a limited time-period within the span of a fiscal year.

Executive Branch: Agencies of state government established by Minnesota Statute 43A that have statewide jurisdiction and are not within the Legislative or Judicial branches of government.

Fiscal Year: State government fiscal year runs July 1 of one year through June 30 of the following year. Fiscal year 2015 runs from July 1, 2014 through June 30, 2015 and is the time period used for this report.

FTE: Full Time Equivalent, or FTE, is a calculation of how much work was compensated last fiscal year. This is represented in 2,080 hour increments or what a regular full-time employee would have worked in one fiscal year. Average Annual Salary per FTE represents the total salary compensation (dollars) divided by the calculated FTE total.

Generation X: The U.S. population born between 1965 and 1984 according to Harvard University's Joint Center for Housing Studies.

Median: The point at which half of cases in a distribution fall below and half fall above in a given range. For example, the median age of state workers was 48 years (half were younger and half were older).

Millennial Generation: That U.S. population born after 1985 according to Harvard University's Joint Center for Housing Studies.

Northeast Minnesota Region: The seven counties of Minnesota encompassing Aitkin, Carlton, Cook, Itasca, Koochiching, Lake and St. Louis counties.

Northwest Minnesota Region: The 26 counties of Minnesota encompassing Becker, Beltrami, Cass, Clay, Clearwater, Crow Wing, Douglas, Grant, Hubbard, Kittson, Lake of the Woods, Mahnommen, Marshall, Morrison, Norman, Otter Tail, Pennington, Polk, Pope, Red Lake, Roseau, Stevens, Todd, Traverse, Wadena and Wilkin counties.

Southeast Minnesota Region: The 11 counties of Minnesota encompassing Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, and Winona counties.

Southwest Minnesota Region: The 23 counties of Minnesota encompassing Big Stone, Blue Earth, Brown, Chippewa, Cottonwood, Faribault, Jackson, Lac Qui Parle, Le Sueur, Lincoln, Lyon, Martin, Murray, Nicollet, Nobles, Pipestone, Redwood, Rock, Sibley, Swift, Waseca, Watonwan and Yellow Medicine counties.

Turnover: For the purposes of this report, turnover is defined as being due to staff voluntarily leaving state government -through resignation or retirement. The number of staff leaving in a year is divided by the total number of staff as of Q4, 2017.

Twin Cities Region: The 7 counties of Minnesota encompassing Anoka, Carver, Dakota, Hennepin, Ramsey, Scott and Washington counties.

Unclassified: Jobs designated as unclassified status are [specifically designated in statute](#). They are specifically identified, such as elected officials, heads of agencies, judicial branch employees, legislative employees, and academic positions. Other statute allows for professional, managerial, or supervisory positions to have a maximum duration of up to three years.

Unlimited status: Employees hired on an unlimited status is an appointment for which there is no specified maximum duration.